

Message Text

CONFIDENTIAL

PAGE 01 STOCKH 03701 071227Z

44

ACTION IO-13

INFO OCT-01 EUR-12 ISO-00 EB-07 AID-05 TRSE-00 ABF-01

OMB-01 CIAE-00 INR-07 NSAE-00 L-03 SP-02 SS-15 NSC-05

/072 W

----- 038099

R 071048Z JUL 76

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 8087

INFO USMISSION GENEVA

C O N F I D E N T I A L STOCKHOLM 3701

E.O. 11652C GDS

TAGS: UNDP, EAID, SW

SUBJECT: UNDP GOVERNING COUNCIL: PROPOSED SOLUTION TO UNDP

LIQUIDITY CRISIS THROUGH PURCHASE OF NON-CONVERTIBLE CURRENCIES

REF: (A) STATE 165801, (B) STOCKHOLM 3642

1. EMBOFF INFORMED FRANK BELFRAGE, MFA MULTILATERAL AID OFFICER, OF DEPARTMENT' INABILITY TO UNDERSTAND OBJECTIONS HE GAVE TO SWEDISH PURCHASE OF UNDP NON-CONVERTIBLE CURRENCIES, AS INSTRUCTED BY REF A, AND ADDED THAT PURCHASE WOULD ENABLE SWEDES AT NO BUDGETARY COST TO GIVE FURTHER HELP TO UNDP. BELFRAGE'S POSITION DID NOT ALTER. AFTER HE HAD DISCUSSED MATTER WITH EMBOFF, HE SAID, ADDITIONAL OBSTACLE TO SWEDISH PARTICIPATION HAD DEVELOPED: SWEDISH CENTRAL BANK HAD INDICATED IN INTERNAL DISCUSSIONS THAT IT WAS NOT INTERESTED IN SUCH PURCHASE AND UNPREPARED TO MAKE ONE. BELFRAGE WAS UNABLE TO SAY ON WHAT BASIS RIKSBANK HAD TAKEN THIS POSITION, INDICATING THAT HIS SUPERIOR LENNART KLACKENBERG, CHIEF MFA AID OFFICER, HAD TAKEN MATTER UP WITH CENTRAL BANK. (KLACKENBERG IS NOT FRIENDLY TO US AND NOT HELPFUL.)

2. WHEN EMBOFF ASKED BELFRAGE IF HE WOULD LOOK INTO REASONS FOR CENTRAL BANK'S POSITION, HE POLITELY TURNED DOWN SUGGESTION AS WELL AS EMBOFF'S OFFER TO TALK DIRECTLY WITH RESPONSIBLE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STOCKH 03701 071227Z

OFFICER IN RIKSBANK.

3. BELFRAGE MENTIONED THAT GOS WOULD HAVE APPRECIATED HAVING BEEN CONSULTED BEFORE US TOOK "MAJOR INITIATIVE" OF SEEKING TO ENLIST DONOR COUNTRIES IN PURCHASE OF NON-CONVERTIBLE CURRENCIES. EMBOFF REPLIED THAT FAVORABLE RESPONSE TO US OFFER AND PROPOSAL HAD ENCOURAGED US TO SEEK WIDENED PARTICIPATION AND THAT WE WERE NOW, IN FACT, CONSULTING SWEDES.

4. IN HOPE THAT IT MAY GIVE SWEDES CAUSE TO RECONSIDER, EMBASSY PROVIDED BELFRAGE ORALLY WITH LIST OF GOVERNMENTS WHICH HAVE INDICATED THEIR INTENTION TO BUY NON-CONVERTIBLE CURRENCIES, AS AVAILABLE TO US FROM CABLE EXCHANGES.

5. EMBASSY DOES NOT BELIEVE THAT WE CAN EXPECT COOPERATION FROM GOS ON THIS MATTER UNLESS THERE IS OVERWHELMING SUPPORT FOR OUR PROPOSAL. EMBASSY GUESSES THAT SWEDES MAY BE MOTIVATED BY WISH TO AVOID CONFRONTATION WITH EASTERN EUROPEANS ON CURRENCY ISSUE. THEY HAVE, HOWEVER, GIVEN NO REAL EXPLANATION FOR THEIR NEGATIVE RESPONSE.

SMITH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, ECONOMIC ASSISTANCE, INTERNATIONAL ORGANIZATIONS, DEVELOPMENT PROGRAMS, CURRENCIES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STOCKH03701
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760261-0723
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760782/aaaacucf.tel
Line Count: 81
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 165801, 76 STOCKHOLM 3642
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 10 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 MAY 2004 by buchant0>; APPROVED <27 AUG 2004 by izenbei0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNDP GOVERNING COUNCIL: PROPOSED SOLUTION TO UNDP LIQUIDITY CRISIS THROUGH PURCHASE OF NON-CONVERTIBLE CURRENCIES
TAGS: EAID, SW, US, UNDP
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006